

**City Light Advisory Board Meeting**  
**April 6, 2004, 8:30 am – noon**  
Boards & Commissions Conference Room  
**MEETING SUMMARY**

Board members present: Jay Lapin, Donald Wise, Sara Patton, Carol Arnold

Also present: Ingrid Rasch (Rates Advisory Committee), Jorge Carrasco (Superintendent City Light), Nancy Glaser (City Light), Carol Butler, Tom VanBronkhorst (Legislative), Alec Fiskien, Julie Tobin (Office of Policy & Management)

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**Follow up items are in bold.**

New Advisory Board member status

On April 1 the Council sent out a release advertising the Board vacancy. The deadline for submitting applications is April 15. Tom VanBronkhorst asked for input on a skill set that would be a good fit for the Board. Board members agreed that a new member should be selected for their industry expertise, ability to work collegially and non-partisan approach, rather than their representation of a specific interest. Tom will share the names of applicants and invite Board members to meet with the final candidates before a decision is made.

Superintendents Update

- City Light workprogram development. The Superintendent has asked the City Light executive team to focus on priorities and to validate and confirm those priorities for 2004 and to also include longer term goals. The Superintendent will then review and use those priorities to make resource allocation decisions. The objective is to have one common 2004 work program conducive to accountability and results that hits all the key areas articulated by the Board, Mayor and Council. The Superintendent will incorporate into that work program updates to the Board on significant issues. The City Light executive team is moving forward with this prioritization exercise at the same time as the citywide budget process. The longer-term goal is to have a strategic plan/business plan completed by late 2005. The Board suggested that it might be productive for the Superintendent to meet with the Board working groups on topics of particular focus before bringing these issues to the Board meetings.
- City Light budget. The City Light executive team is in the process of identifying key financial drivers for the budget. The hope is to get away from line item budgets and move toward a more programmatic budget. The end result will be better decision making and a way of evaluating performance. There is a need to provide more staff analytical capability, and City Light is organizing to find that. The Board suggested that City Light may also need different tools to do cost management and increase its analytical capability. The Board also recommended that rather than wait until 2005 for the strategic plan to be finalized; perhaps City Light should do a mini strategic planning process in conjunction with the revenue requirement.

Restoring the rate advantages of public power, i.e. the stability of City Light, is the Superintendent's most important goal. While the political climate may be encouraging a rates decrease, the Board recommended that City Light do some strategic planning and keep the long-term view so that a disciplined, analytical approach is taken to setting the budget. A rate reduction may also send the wrong message to the underwriting community. The Board commented that people will soon want to hear what the long-term goal is on rates, and City Light cannot postpone to far into the future discussion on this topic. Board members offered to assist on communicating the nuances of the financial policy adopted by Council.

The Board expressed an interest in learning more about capital improvement costs and, in particular, high profile projects that require substantial costs for the relocation of utilities. The Board asked "What is City Light's legal obligation to incur these costs when the utility has no costs earmarked for these projects". City Light needs to be clear that these issues need to be addressed and estimates developed should include utility relocation, and who funds relocation. **The Board asked that the Superintendent bring an overview of City Light's obligations in this regard to the May meeting.**

#### Rates Advisory Committee (RAC) Update

- The Superintendent is working with City Light staff to focus the RAC on a narrower, more manageable list of rates design (not revenue) issues.
- Carol Arnold and Ingrid Rasch gave an update on the last RAC meeting. The Board agreed to address the role of the RAC in the governance section of next year's work plan.

#### Northwest Energy Coalition Energy Matters

Sara handed out the Energy Matters publication and gave a brief update on the program.

#### Board 2004 Work Plan

- At the March meeting the Board recommended that a phased integrated schedule in a project management format, stating roles and responsibilities and timelines, be developed for the City Light budget/planning process. Alec Fiskien communicated that the Executive has agreed to wait for the Superintendent to set up this work plan, and he will work toward a format that is the same for the Council, Mayor and Board. **Given that there is now more emphasis on the Superintendent developing this plan in conjunction with the building of policy priorities, the Board asked the Superintendent to bring a draft of this workplan, incorporating timelines, to the Board meeting in May.** This will assist the Board in their own work plan development. Superintendent Carrasco will continue to communicate with Jay Lapin and Alec Fiskien on the development of this schedule.
- Council is working on revising the 1989 rates policy resolution which will go to Council Committee in June. Carol Butler invited the Board to give their input by April 28. **Carol Arnold will act as liaison on issues as they arise, and the Board will become involved as appropriate. Carol Butler and Tom VanBronkhorst will keep Carol Arnold posted if specific sections of the resolution look like they will change from the 1989 policy.**
- City Light has taken the initiative to respond to the Board's financial policy recommendation as part of their financial planning process, and are developing a draft proposal to share with the Board, Council and Executive. The initial target date (guided by the citywide budget process) is July 1, but the Superintendent will talk to the Department of Finance to finalize this date. **The Superintendent will come back to the Board with a tentative workplan and dates. A working group of OPM, Department of Finance, Council and City Light should meet to develop specifics on the best way to do this. Jay Lapin will work with this group and prior to the May Board meeting develop a timetable and deliverables for a recommendation for the Board's role on financial policy.**
- The Board would like to get involved in the Integrated Resources Planning (IRP) process and the near-term resource decisions. **Sara Patton and Randy Hardy will work with Superintendent Carrasco to develop a timeline for the IRP process.**

- In order to make their work program more specific the Board will define what the objectives, process and deliverables are for each area. (Lead assignments below.) Each lead should send the specific deliverables to Julie Tobin by April 30 so that she can incorporate them into one work program document for the May 4 meeting.

Work Program Area	Board Lead
<ul style="list-style-type: none"> <li>• Risk management</li> <li>• Meet with City Light Employee groups</li> </ul>	Carol Arnold
<ul style="list-style-type: none"> <li>• Integrated Resources Planning</li> <li>• Community outreach and interest groups</li> </ul>	Sara Patton
<ul style="list-style-type: none"> <li>• Financial Policy</li> </ul>	Jay Lapin
<ul style="list-style-type: none"> <li>• Review Worker Safety</li> <li>• Board staff support and expenses</li> </ul>	Don Wise
<ul style="list-style-type: none"> <li>• Review relationship with and strategy for BPA</li> <li>• Enhanced regional leadership</li> </ul>	Randy Hardy

#### Council Updates

- Council have hired a consultant to do 4 days of training on revenue requirements, cost of service and revenue and rate design and how other utilities do them. Council may do their own cost of service study for City Light. The Superintendent asked for an opportunity to evaluate City Light's rate making processes before a study took place. The Board agreed City Light needs better cost information and putting better cost management systems in place to produce this type of information should be a priority. **Nancy Glaser will make sure the Board gets an updated copy of the policy compendium.**